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U. S. DEPT. OF AGRICULTURE

MANAGEMENT COUNCIL NEWSLETTER

U. S. Department of Agriculture

JAN 10 1980

A summary of significant events of
interest to USDA management

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USDA EMPLOYEES WIN AWARDS..... Doris Miller and Sheila Saunders from Executive Correspondence and Records, O&F, and Janet Stewart, SCS, have all received cash awards for Sustained Superior Achievement for their work while on detail with the Three Mile Island Commission. This Commission was established by President Carter to investigate the recent problems at the Three Mile Island nuclear facility in Pennsylvania. (Contact: Betty Stiverson, SEC, ext. 74737.)

USDA CIVIL RIGHTS ENFORCEMENT EXPENDITURES INCREASE..... Figures recently compiled for OMB's annual A-11 report show that USDA agencies increased their Title VI enforcement expenditures by \$100,000 in FY 1979 (Title VI of the Civil Rights Act of 1964 prohibits discrimination on the basis of race, color and national origin in Federal assistance programs and activities.) FY 1979 Title VI enforcement expenditures totaled \$5,262,100. In 1979, 15,600 compliance reviews were completed. This was over one-third of all USDA Title VI recipients. In 73 instances where noncompliance was found, voluntary compliance was obtained. At the end of the year, 140 additional instances of noncompliance were still under negotiation. (Contact: Percy R. Luney, OEO, ext. 77327.)

MILEAGE REDUCTION..... In FY 1979, for the first time in recent memory, USDA employees drove fewer miles on official business than in the preceding year. FY 1979 mileage was 564.2 million miles, down from 569.7 million in FY 1978. Although only about a one percent reduction, and far short of the President's goal of ten percent, it is indicative that some agencies are making an effort in this area. For example, ASCS has placed a greater reliance on aerial photography in their compliance review activities, thereby considerably reducing vehicle mileage.

With the oil supply becoming more uncertain, it is important that agencies review operations to identify any modifications that can be made to reduce mileage even further. (Contact: Bill Roth, O&F, ext. 79215.)

CIVIL SERVICE REFORM ACT IMPLEMENTATION..... OP and OPM recently completed evaluation of the Civil Service Reform Act implementation in four agencies. These reviews disclosed limited field office knowledge of many provisions already in effect; and only slightly better knowledge at Headquarters.

Two of the agencies were found not to have implemented the provision calling for establishment of a probationary period for persons appointed to their first supervisory or managerial position. This provision is one of the key safeguards established by the Act and non-compliance is a violation of the law. Agencies are reminded that this provision became mandatory on August 11, 1979. (Contact: Harry C. Redd III, OP, ext. 73263.)

OUTSIDE CONTRACTING FOR VIDEOTAPE PRODUCTION.....In March, new procedures were implemented for contracting for motion pictures, and effective March 31, 1980, following the procedures outlined in OFPP Policy Letter 79-4, the same type of contracting procedures will be applied to videotape production. After that date, contracts for commercial videotape production will be negotiated with qualified producers who have been certified by a board which has reviewed the producer's output for quality. For each proposed contract, the USDA will request names of qualified videotape producers from the list maintained by the Department of Defense.

The list of producers will be evaluated in the Department for their ability to meet our requirements, and we do not have to select the lowest offer after price negotiation. We can select the best qualified offer in line with a reasonable price. In-house videotape production in an A-76 approved facility is not effected by these procedures. (Contact: Claude Gifford, GPA, ext. 78005.)

INDUSTRIAL HYGIENE STUDIES.....The industrial hygiene staff of the Office of Safety and Health Management (OSHM) has completed several studies of possible health problems within the Department. A study of the APHIS Screwworm Eradication Program has been completed and APHIS managers are reviewing the OSHM recommendations. A study of the SCS Cartographic Units reveals no serious health problems to employees. A comprehensive study of potential health issues for FGIS employees will be completed by the end of December. (Contact: John Teske, OSHM, 472-7074.)

SAFETY AND HEALTH TRAINING.....OSHM has recently completed the second pilot test of a training package for 57 collateral duty safety and health offices and union representatives. This training program will be made available to agencies. (Contact: Frank Ribeiro, OSHM, 472-7074.)

DEBT MANAGEMENT PROJECT.....A debt Management project has been established by O&F to review the management of debts owed to the Department. This area of debt management has been identified by the President's Management Improvement Council as an area requiring priority attention governmentwide. Staff offices and agencies with significant debt management activities will be involved in this project. The final USDA study report is due in May 1980. (Contact: Richard Cleveland, O&F, ext. 75630.)

FY 1980 USDA APPROPRIATIONS.....The Department of Agriculture appropriations bill for fiscal year 1980, P.L. 96-108 was approved by the President on November 9, 1979. The Interior and Related Agencies Appropriations bill, P.L. 96-126, was approved November 27, 1979. (Contact: Bob Barham, OBPE, ext. 76176.)

MINORITY BUSINESS PROCUREMENT.....The USDA awarded \$38,949,000 in procurement to minority-owned firms in FY 1979. This figure represents 2.2 percent of our total procurements of \$1,804,960,000. The Department surpassed the goal to triple minority purchases mandated by President Carter in 1977, but our record still leaves room for improvement. A Departmental goal of \$44 million in procurements from minority-owned firms has been established for FY 1980. (Contact: Preston Davis, OSDBU, ext. 77117.)

UPDATE OF THE CIVIL SERVICE REFORM ACT.....On October 12, 1979, 27 managers and specialists representing all USDA agencies, and five of the staff offices, began working on the proposed performance appraisal system, including merit pay proposals. Building on previous exploratory efforts by several of the agencies, the developmental work has now been completed and the proposed plan will be sent to agency heads, department staff office directors, and personnel officers for comment. Concurrently, a summary will be forwarded to all employees through a bulletin. In addition, information on the proposal will be provided to the presidents of all USDA clubs throughout the United States and to the AG Reporter for further dissemination. Through this informational campaign and other efforts, employees of the Department will have the opportunity to contact their personnel offices on any facet of the performance appraisal and/or merit pay proposals that give them problems or for which they desire to provide comment. Here are the highlights:

- The performance appraisal system will cover all employees except those specifically exempt (i.e., Administrative Law Judges, SES Members, personnel appointed by the President, and temporary appointments not expected to exceed 120 days).
- The performance requirements and critical elements will be communicated to all employees in writing. Changes will be made whenever the work assignment of the employees changes and/or whenever there is a change in the emphasis of a position. Agencies will be delegated the authority to identify the appraisal period.
- The Uniform Guidelines on Employee Selection requires all selection decisions to be validated. The performance appraisal will have to be linked to such things as promotion, non-remedial reassessments, training, reductions-in-force, and within-grade and quality increases.
- The current AD-434 form will be modified to show sufficient information for merit pay. An important item in performance appraisal is the limiting of the number of items to define (i.e., unacceptable, minimally acceptable, proficient, outstanding). It is believed that the more items we try to define, the more subjectivity is found in the rating. Agencies are being asked to comment on both a four digit (0-1-2-3) and five digit (1-2-3-4-5) rating scale.
- The proposed merit pay distribution formula includes the following items: summary rating on performance appraisal, average contribution to merit pay pool, location in pay range (accelerated factor), and organizational performance. The first three items are multiplied together for the determination of merit pay. The last item can be used by the Secretary, Assistant Secretaries, agency heads or other merit pay subpool managers after a review of the accomplishments of the organization. This can be done before or after the first three items.
- Comments on the proposed plan have been requested from the agencies by January 18, 1980.

Agencies are reviewing and evaluating applications by GS-15 managers for the Department's Senior Executive Service Candidate Development Program. This new program, announced on November 16, 1979, requires that agency evaluations be submitted to the Department by the Departmental Program Executive Resources Boards and through a customized assessment process before the final selection of 30 candidates by the Secretary's Executive Resources Board. An outreach effort is also being pursued to attract qualified minorities and women. Final selections are planned for February 22, 1980. (Contact: Jack Carson, OP, ext. 72830)

GRANTS INFORMATION.....The following are recent significant Governmentwide grants and agreements management activities that merit attention:

1. The new Audits Standards (Attachment P, OMB Circular No. A-102, Uniform Administrative Requirements for Grants-in-Aid to State and Local Governments) were published in the Federal Register on October 22, 1979. These new standards call for single audits of grantee financial management systems under the standard GAO audit guide to be supplemented by published listings of the major program compliance items for the various Federal programs subject to A-102. Departmental implementation will be a joint effort of the Office of the Inspector General and the Office of Operations and Finance.
2. OMB is now moving forward with issuance of a set of cost principles for grants and agreements with nonprofit organizations. OMB has informally made drafts available over the past two or three years for comment by the Federal agencies but has taken no official action to accept public comments until now. We can expect something fairly soon as the current lack of cost principles for nonprofit organizations leaves a gap in currently existing policies and procedures for administering contracts, grants or agreements with these types of organizations.
3. Identical bills have been simultaneously introduced in the Senate and House to provide for a five year extension of the Joint Funding Simplification Act of 1974. There were previous attempts in other legislative proposals to extend and amend this Act as a part of other comprehensive grant reform legislation. Simple extension of the Act, as provided for in S. 1835 and H.R. 5595, appears to have the best chance for passage during the current Congressional session.
4. OMB has been petitioned by the university research community to consider amending OMB Circular No. A-21 (Cost Principles for Educational Institutions) to include independent research and development (IR&D) costs as part of the allowable costs in an institution's indirect cost pool. The university research community is apparently trying to back into recovering IR&D costs through the indirect cost pool since other traditional and direct Federal funding sources for such cost are becoming less reliable. OMB held a meeting in mid-November to consider developing a Governmentwide position on this issue. (Contact: Don Manns, O&F, ext. 75630.)

NEWSLETTER DEADLINES.....Deadline and publication dates for the next six months are as follows:

<u>Deadlines</u>	<u>Publication</u>
January 9	January 14
February 13	February 18
March 12	March 17
April 9	April 14
May 14	May 19
June 11	June 16

Agencies and staff offices are encouraged to submit articles of interest to management officials of the Department. These should be sent to Neil I. Van Vliet, Management Staff, room 115-A. All items submitted must be approved at the appropriate agency or staff office level prior to submission.